

Triumph, embrace or offset? Entrepreneurs have different storytelling styles for presenting business closure

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New pioneering research shows that entrepreneurs communicate to strengthen their professional image and stakeholder relationships—and

avoid blaming others.

Not all companies succeed for one reason or another and statistics highlight that every second Finnish [company](#) will cease operations within five years of founding. A new study titled Post-Failure Impression Management: A Typology of Entrepreneurs' Public Narratives after Business Closure by researchers at the Aalto University School of Business' Department of Management studies shows that entrepreneurs tend to apply five different storytelling styles when communicating about closing down their business.

"Although many companies fail, there is very little research on what strategies entrepreneurs use when they communicate about business closure. For their future career, the entrepreneur should be able to communicate that she or he remains a competent, professional and credible partner despite his or her failure. That is why we wanted to explore what expressions and impression management strategies entrepreneurs use when communicating the decision to close down their business' says Assistant Professor Ewald Kibler.

The researchers analyzed one hundred and eighteen public business-closure statements of IT and [software companies](#) from different parts of the world that had closed down their businesses.

The texts were similar in that the entrepreneurs emphasized their efforts, the positive achievements of their companies, and the lessons learned. Contrary to what has previously been found in experimental research, entrepreneurs did not blame other people or external factors for the failure of their business in these public texts.

"By emphasizing positive things, entrepreneurs strive to maintain and strengthen their professional image and their relationships with stakeholders, such as company employees, clients and financiers. For the

future, this is important because winding up a company often means ending an entrepreneur's current job and livelihood' says Post-doc researcher Virva Salmivaara.

Facts or emotions? Dwelling on the past or moving on for good?

Although the texts had much in common, the researchers also found some clear differences. The distinguishing factors were the semantic patterns and impression management strategies; i.e. the conscious or unconscious means by which entrepreneurs seek to make positive impressions. Different storytelling styles utilize one or more impression management strategies and differences in semantic patterns were, in turn, reflected in the texts as either focusing on people or events or on the past or the future whether the texts expressed emotions or not also distinguished the texts.

"We found five different storytelling styles: Triumph, Harmony, Embrace, Offset, and Show," Post-doc researcher Steffen Farny says.

The storytelling styles Triumph and Harmony both provided examples of competence and positive business outcomes. However, Triumph emphasized the entrepreneur's personal experience, while Harmony also highlighted stakeholders and their importance to the company. The other difference was that Triumph did not express feelings, whereas Harmony favored expressing positive feelings.

In texts using the Offset style, the entrepreneur focused on future events and promised, for example, to do better in the future. At the same time, she/he could apologize to her/his clients for closing down the company. When using Embrace, the entrepreneur, for their part, emphasized her/his strengths and achievements, but also praised the company's

partners and employees, whereas, in Show, the [entrepreneur](#) mainly highlighted facts and details. Descriptive of Show was also telling events of the past and expressing negative feelings.

The study of Kibler's research group is the first study based on public business-closure statements written by entrepreneurs, and it provides valuable new insight into how entrepreneurs operate in this challenging situation, both emotionally and professionally. At the same time, new questions have arisen.

"We do not know how the career of the entrepreneurs included in our data evolved after the closure of the companies they set up, so we cannot recommend any of the five storytelling styles we found. In the future, it would be interesting to study, among other things, whether the positivity and responsibility that entrepreneurs favored in their statements helped them in their career moving forward' Kibler adds.

More information: Ewald Kibler et al. Post-failure impression management: A typology of entrepreneurs' public narratives after business closure, *Human Relations* (2020). [DOI: 10.1177/0018726719899465](#)

Provided by Aalto University

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